GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:4153
ANSWERED ON:21.04.2010
COAL PRODUCTION
Kodikunnil Shri Suresh

Will the Minister of COAL be pleased to state:

(a) whether the Ministry has asked the State Governments to expedite the process of coal production in several captive blocks that have been lying idle due to delay in obtaining clearances;

(b) if so, the details thereof State-wise and Company-wise:

(c) whether the Government has allocated a large number of coal mines State Government for production but only a few have become operational; and

(d) if so, the facts and the details thereof and the steps taken to expedite coal production process in the allocated mines?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL AND MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a) & (b) During the review meeting held during June, 2009 to monitor the development of coal blocks and end use plants, the State Governments were asked to expedite the development of coal blocks wherever the progress was not found satisfactory. The State Governments were also asked to set up committees under the respective Chief Secretaries of the States for the purpose. Further, in the meeting held on 10.08.2009, the Governments of coal and lignite bearing States were again requested to facilitate the development of coal blocks.

The sector-wise details of coal block allocattees issued show cause notices is given below

Sector	No. of show cause notices	No. of allocate companies	No. of coal/Lignite blocks
Govt.	25	22	32
Private	15	27	16
Total	40	49	48

(c) & (d): Out of 74 coal blocks allocated to government companies, 11 coal blocks have come into production till the end of March, 2010.

Development of coal blocks involves a gestation period of 3 to 7 years for reaching the production stage and another two to three years for reaching the optimal production capacity. As per the guidelines, coal production from a captive coal block should commence within 36 months (42 months incase the area falls in forest land) in case of open cast mines and in 48 months (54 months in case the area falls in forest land) in case of underground mine, from the date of allocation. If coal block is not explored, additional two years are allowed for detailed exploration and three months for preparation of geological report. The allocattees of coal blocks, who have not started production so far, are in various stages of obtaining statutory clearances and mining lease, preparing mining plan, acquisition of land, procuring machinery and equipment etc. for both mining as well as end-use project.

The responsibility of developing the coal block as per the prescribed guidelines and milestone chart attached with the allocation letter rests entirely with the allocattee company. In the terms and conditions of the allocation letters, it is categorically mentioned that in the event of willful delay in the development of coal blocks and in setting up of the end use project, the Govt. takes appropriate action to

de-allocate the said block. Government periodically monitors and reviews the development of allocated blocks as well as end use plants by the allocattee companies in the Review Meetings. Wherever delays are noticed, Government issues show cause notices and advisories to such-allocattees cautioning them to bring the coal blocks into production as per the guidelines/milestones chart. Further, the allocatees have to submit Bank Guarantee which remains valid all the times till the production from the coal block reaches its peak rated capacity. The last review meeting was held on 22nd and 23rd June, 2009 with all the coal block allocattees to review the development of coal blocks and the end use projects. The State Govts. have been requested to form a Monitoring Committee headed by the Chief Secretary to facilitate expeditious development of coal/lignite blocks. The Coal Controller`s office is also monitoring on regular basis the achievement of different milestones.